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RECORD OF ORAL HEARING

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte BONNIE M. PEMBERTON and FRANK A. WOLFE

Appeal 2009-006175
Application 10/734,461
Technology Center 1700

Oral Hearing Held: Thursday, September 17, 2009

Before CHUNG K. PAK, PETER F. KRATZ and MARK NAGUMO,
Administrative Patent Judges.

ON BEHALF OF THE APPELLANTS:

GEORGE SCHLUTZ
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Appeal 2009-006175
Application 10/734,461

1 The above-entitled matter came on for hearing on Thursday,
2 September 17, 2009, at 11:11 a.m. at the U.S. Patent and Trademark Office,
3 600 Dulany Street, Alexandria, Virginia, before Leanne M. Krivonak,
4 Notary Number 180129, Notary Public.

5 THE CLERK: No. 56, Mr. Schlutz.

6 JUDGE PAK: All right. Welcome, Mr. Schlutz.

7 You have 20 minutes to argue your case.

8 We have a court reporter who is going to transcribe the entire
9 hearing.

10 MR. SCHLUTZ: Very good.

11 JUDGE PAK: And that transcript will become part of the
12 records.

13 If you wish, you could introduce your colleague who came in
14 with you.

15 MR. SCHLUTZ: Yes, I would like to do that.

16 My name is George Schultz. And I have with me Mr. Jeff
17 Crook, who helped me with the brief; and I have the inventor here, Ms.
18 Bonnie Pemberton.

19 MS. PEMBERTON: Good morning.

20 JUDGE PAK: You may start any time you wish.

21 MR. SCHLUTZ: Good morning. Thank you for taking the
22 time to talk to us. We know you guys are busy.

23 The invention of the -- of the patent application that's at issue
24 today is not a difficult invention. It's a generally a two-sided plastic sheet

1 that has adhesives on both side, and it has a novel way that the attachment
2 -- the sheet is attached to the page, including the dimensions and some of the
3 aspects of the -- of the release sheet.

4 The patent isn't long. It's just barely three columns long. It has
5 five drawings. The drawings show a very consistent set of drawings
6 with -- with two embodiments. And the embodiments are fairly consistent.

7 The claims of the invention -- there are only three here at issue
8 today. And the main features of -- of the -- the first and only independent
9 claim are of a series or a plurality of continuous and perforated release
10 layers. The release layers being -- being immensely important
11 later -- completely bisect it along an axis parallel to the length of each strip.

12 The length that has recitations and limitations with respect to
13 the length and the width of the strip. The strips being adapted to be removed
14 and placed on a piece of furniture to produce a release-able sticking
15 sensation, in theory to dissuade cats from scratching on furniture and stuff
16 like that.

17 The -- there's a prosecution history -- well, we've been at this
18 quite awhile. The original parent case was filed in -- it was filed in 1997.
19 The continuation was filed in 2003.

20 First office action in 2005. The first response of amended the
21 claims slightly. And also important is this is the first time that this limitation
22 of a completely bisected release sheet was added in 2005.

23 In 2000 and -- later in September of 2005 there was a final
24 office action. And in this office action there was new art cited, and the

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1 Examiner used the rationale that the amendments required a new search.
2 And so we added a -- we added a fifth -- a fifth reference, Krozere, at this
3 point.

4 And there as an RCE filed in January of 2006. And in that RCE
5 another -- a minor -- a number of minor amendments were made to the first
6 three claims.

7 In March of 2006 there was an office action, and here is --

8 JUDGE NAGUMO: Where did the Examiner err? What is the
9 problem with the *prima facie* case as we see here?

10 MR. SCHLUTZ: I understand, and that's a good question.

11 There -- there are three arguments. And the main ones that
12 we're going to try to make today is that there is no *prima facie* case.

13 The focus of the error has got to be this bisected release sheet
14 and the language -- and in my opinion it does -- specs support the language
15 in the claim of the definition of bisecting.

16 The Applicant would make the argument that bisected in the
17 way that it's used in the specification means not only two pieces, but two
18 equal pieces.

19 And if you go back and you look at a smattering of dictionaries,
20 what you'll see is that bisected typically means two equal pieces.

21 JUDGE NAGUMO: Well, the dictionary also specifically
22 states generally, especially. So that the broad meaning of bisected seems
23 uncontestable --

24 MR. SCHLUTZ: Well --

1 JUDGE NAGUMO: -- it's cut into two and then there's no
2 specific definition of bisected angle, usually means --

3 MR. SCHLUTZ: No --

4 JUDGE NAGUMO: -- exactly cut in half.

5 So reading the claims broadly as we're supposed to during
6 prosecution, what was your point with respect to the definition that limits it
7 to exactly cut in half?

8 MR. SCHLUTZ: Well, let's go back and let's look at the
9 MPEP, okay?

10 JUDGE NAGUMO: No, I want to look at the specification --

11 MR. SCHLUTZ: No, we certainly --

12 JUDGE NAGUMO: -- because the MPEP is not in evidence in
13 this case.

14 And what I'm looking for is evidence in the case that would let
15 me make a finding that says the specification says bisected means a half.
16 And at that point maybe we have some finding.

17 MR. SCHLUTZ: I understand. If you'll bear with me for two
18 seconds, what the MPEP says, okay? And I've got case here from the
19 Federal Circuit that came out in September of this year -- only less than a
20 month ago on the 9th -- that says when you look at the definitions that the
21 pros -- in the prosecution the examining attorney has got to look at what the
22 most reasonable definition is that's supported by the spec -- not the broadest
23 definition but the most reasonable definition.

1 And the Federal Circuit says that that -- that just -- that that
2 interpretation of what the definition is does indeed have to be broad, but it
3 has got to be broad within being -- within being legal.

4 JUDGE NAGUMO: And what is the evidence in the
5 specification that supports your claim?

6 MR. SCHLUTZ: And now we'll finally answer your question.
7 Yes, sir.

8 In the specification there are, like I said, five figures, okay?
9 And in that scant five figures the invention is represented four times. And in
10 every place that it's shown, it's shown in exactly -- it's shown in two pieces
11 because in two of the figures -- I think it's Figure 2 and Figure 5 -- maybe 3
12 or 4 -- it's shown not with -- not with a bump, not with an embossing line or
13 a fold but with -- with a separating cut in between the two.

14 If you looked at Paragraph 13 -- the last sentence in Paragraph
15 13, what it says is there -- it doesn't use the word bisection. I think it says a
16 bisecting cut and it points directly to 29, which is in Figure 2 and then in
17 Figure 5. So if definitely shows two pieces.

18 JUDGE NAGUMO: Well --

19 MR. SCHLUTZ: So the real focus is where is the equal part.
20 Okay? Where does it show in the specification that it's equal?

21 It's the applicant position that in all four of those drawings that
22 it only shows half.

1 JUDGE NAGUMO: C and we're also instructed by the Federal
2 Circuit not to place too much weight on the figures because, after all, they're
3 merely illustrative.

4 MR. SCHLUTZ: Understood, but --

5 JUDGE NAGUMO: And you can understand things from
6 them, but why should we take a limitation from specific examples and we
7 can impose that on the specification?

8 MR. SCHLUTZ: Because --

9 JUDGE NAGUMO: -- completely bisected into -- be
10 completely bisected into two equal parts.

11 MR. SCHLUTZ: Understood. But then that's the most
12 reasonable -- there are different definitions of the word completely bisected.
13 And the most reasonable, which is the one that the Examiner has got to
14 adopt from the specs -- if you look at the spec, that's the only one that's
15 reasonably supportive is two equal pieces.

16 JUDGE NAGUMO: Now, whether we adopt that interpretation
17 or not, let's say we do, what difference does it make? Why would any
18 bisection, including exactly in half, not have been obvious for the art of
19 record?

20 MR. SCHLUTZ: Also a good question.

21 If you look at the dispenser, I believe you will agree with me
22 that Ferraro doesn't show complete bisection because it doesn't show two
23 pieces. So I'm going to dispense with Ferraro in summary matter.

1 But if you go back and you look at Krozere, what does Krozere
2 show? It does not show a bisection in two equal pieces. What it shows is a
3 cut that goes through the release layer in unequal pieces. And it does that on
4 purpose.

5 JUDGE NAGUMO: Well, we're not talking about in
6 dissertation, so the cut is in not -- you cut these release layers not in for
7 pieces where you cut them in equal pieces, I mean, you give
8 reasonable -- what's the word?

9 MR. SCHLUTZ: What a reasonable man or a reasonable skill
10 in the art --

11 JUDGE NAGUMO: Reasonable skill in the art.

12 MR. SCHLUTZ: Exactly.

13 JUDGE NAGUMO: Why isn't this just a -- a design choice.
14 What's special about --

15 MR. SCHLUTZ: Also a good question.

16 Let's talk about 103(a), okay? So that's exactly what we're
17 talking about. How do we put these pieces of prior art together?

18 We're not arguing that -- that other 102. Krozere does not show
19 complete bisection, assuming that we say two equal pieces. It simply doesn't
20 show it, so it's not --

21 JUDGE NAGUMO: Why would it not have been obvious to
22 change those proportions to anything you want it?

1 MR. SCHLUTZ: Well, because you've got to look at
2 obviousness 103(a) in the context of the other pieces of prior art because
3 you've got to put them together.

4 JUDGE NAGUMO: You also have to give reasonable skill and
5 experience to people skilled in the art, at least peel away the release layers
6 that have been part of helping with the household for a decade.

7 MR. SCHLUTZ: Well, exactly, but not in the context of this
8 exact invention. And that's why it's --

9 JUDGE NAGUMO: But --

10 MR. SCHLUTZ: -- novel --

11 JUDGE NAGUMO: But the scope of art and the scope of
12 consideration for what would be obvious is not limited to devices that has
13 been used to dissuade cats from the clawing the furniture.

14 MR. SCHLUTZ: Well, exactly, but that's the problem we're
15 dealing with here in this particular instance.

16 So let's look at 103(a). Okay. Let's look at how we put those
17 together, and that's where the answer it. Okay? And I'm trying to answer
18 your question.

19 If you look at that piece of prior art -- and I'm not going to talk
20 about all the prior art because it's not on the record, okay?

21 What we're talking about is these four pieces of prior art and
22 what somebody of reasonable skill in the art could take from it and could
23 learn from them to put all those pieces together to come up with what's in
24 the spec.

1 In the -- so you can't have bisection in Krozere. You can't have
2 it or it won't work because somebody with reasonable skill in the art -- first
3 of all, let's look at where this art came from. We're talking about
4 hermetically sealing medical packages.

5 So somebody in the -- in the cat product industry is going to go
6 look at hermetically sealed medical pouches for a suggestion? Probably not.

7 JUDGE NAGUMO: Why aren't we looking at release layers
8 from pressure sensitive adhesives and there's a pressure sensitive layer in
9 Krozere that's covered by a release layer and you strip the release layer off
10 and then you seal it?

11 MR. SCHLUTZ: Well --

12 JUDGE NAGUMO: And you've got that sort of thing on
13 envelopes, and you have that theory a long, long time now.

14 People are aware of these things so --

15 MR. SCHLUTZ: Well, I want to be careful that I don't make an
16 admission about what's in the prior art because as far as we're concerned,
17 let's put the prior art as of record, but if you look at Krozere, it teaches a way
18 from moving that line.

19 And so somebody -- somebody of reasonable skill in the art
20 reading that reference isn't going to say I could move that reference
21 anywhere I want to go to. And very importantly, it's not -- you can't say that
22 I'm going to move that reference right in the middle.

23 Why? Because if you look -- look at the picture. I think it's
24 Figure Number 2. It shows -- it shows you peeling off a part of that bottom

1 release layer; but if you look at the next figure, why do you peel it off? You
2 peel it off so that you can position it on the pouch.

3 And when you position it on the pouch, you've got to position it
4 on the middle, okay? And why do you have to position it on the middle?
5 Because if you go back and look at what the advantage is in Krozere that he
6 discloses, you've got to be able to fold that thing over to where there's no
7 adhesive remaining. And the only way to do that is on that center line.

8 So if you put that fold -- if you put that cut on that center line,
9 you're not going to be able to position it correctly. And if you can't position
10 it correctly, the whole -- the whole invention of Krozere isn't going to
11 function.

12 So, if I'm reading Krozere, I'm not going to see that I can move
13 that line to the center. In fact, I can move it anywhere but the center.

14 And so now what you're saying is that Krozere reference is
15 going to be used to find that this -- this claim element of a bisection -- I don't
16 think so. You can't get there from Krozere.

17 JUDGE NAGUMO: I think I have your point on this issue.

18 MR. SCHLUTZ: Okay.

19 JUDGE NAGUMO: Are there other areas of the prima facie
20 case that you wish to present?

21 MR. SCHLUTZ: There are other areas on the prima facie case,
22 but that's the main one. I think what I'd like to do is use a couple of minutes
23 to talk about why the Applicant doesn't think that you can put the references
24 together. And we said a lot of this in our brief.

1 And I'd like to have the inventor talk to you just a little bit
2 about stuff that's already in the record which is the --

3 JUDGE NAGUMO: Well, you don't --

4 MR. SCHLUTZ: -- secondary consideration--

5 JUDGE NAGUMO: -- since this is not any sort of evidentiary
6 hearing.

7 MR. SCHLUTZ: I understand that. I was hoping -- I was
8 hoping to -- to ask the deference of the Board just so that the inventor -- it's
9 obviously important to her. She's been working with this, trying to get the
10 language right for, you know, almost 10 years.

11 MS. PEMBERTON: Thirteen.

12 MR. SCHLUTZ: And so, she would just like to show you what
13 some of the competition is that I think is one of the considerations.

14 So, let me spend a couple of minutes on why you can't put the
15 references together in our opinion.

16 First of all, the main reference here which probably should have
17 been Ittershagen, but turned out to be Straub, okay, the main core reference
18 is for fingernails. And the Ferraro reference is also for fingernails.

19 But you really can't put those two together. And the reason you
20 can't put those two together is because they -- although they still have the
21 same problem, they do it a different way, okay.

22 Straub, when you put these three ways together, you peel off
23 the top layer. And what you do is you -- you have a die cut that cuts out the
24 thing. And the whole point of that and the novelty of that particular

1 invention is that you leave the -- you leave the adhesive on the inside so that
2 you have an overhang of the top strip when you peel it off.

3 Now, one of the things that the Examiner says, I think astutely,
4 is that there's no written advantage in there that says that I can pull
5 that -- pull that Straub tab off from those layers; but what's interesting is
6 there's no other way to get that off.

7 So, somebody of reasonable skill in the art, I think would
8 recognize that that is one of the advantages of that Straub invention in that
9 reference.

10 If you look at Ferraro -- and you can't put that together with
11 Straub. The reason you can't is because -- look at the structure. The
12 structure is different. It has the same three layers, but now what you've got
13 is you've got a perforation that goes all the way around, and you punch the
14 thing out so that all the layers, including the adhesive layer and the center
15 layer are all exactly the same width.

16 Well, you can't get that off very easy because of that structure.
17 And why can't you get it off easy? Because the adhesive goes right to the
18 edge. So the way they solve that problem in Ferraro is they've got a fold line
19 across the corner. Now it's an embossed line, and I can pick the corner up.

20 Well, what our section tries to do is try to say, well, those are
21 reasonably equivalent and expedient. But they're not. They're close but
22 that's not the structure or the function of each one of those. So I think -- I
23 think it's improper to combine them under the reasonably equivalent
24 expedient --

1 JUDGE NAGUMO: But the objection is not solely over those
2 references. We also have --

3 MR. SCHLUTZ: Krozere.

4 JUDGE NAGUMO: -- Krozere, and you also have Ittershagen.

5 MR. SCHLUTZ: Of course, Ittershagen now is supposed to be
6 supplementary.

7 JUDGE NAGUMO: We have -- well, the objection is over all
8 of them and --

9 MR. SCHLUTZ: Agreed.

10 JUDGE NAGUMO: -- in various combinations.

11 MR. SCHLUTZ: Well, let's look at--

12 JUDGE NAGUMO: So we have teachings of adhesives
13 covered by release layers, and we have teachings double-sided
14 adhesives -- adhesive sheets covered by release layers.

15 Now it seems to me you have a tough road to hoe to explain
16 why those combinations aren't appropriate.

17 MR. SCHLUTZ: I'm real low on time, and I don't know --

18 JUDGE NAGUMO: Well, you have -- the -- your time may be
19 running out, but the Panel has plenty of time. So don't worry about that.

20 MR. SCHLUTZ: Okay. I just wanted to make sure to be
21 respectful of that.

22 JUDGE NAGUMO: Don't worry about that.

23 MR. SCHLUTZ: The Krozere -- I'll go back to my -- I'll go
24 back to my outline, and I won't do it ad nauseam, but the Krozere reference

1 really isn't going to make it into the combination very easily of Straub and
2 Ferraro.

3 And, you know, you've got the hypothetical inventor sitting in
4 front of the hypothetical walls of art. And these are all things that are -- that
5 are reasonably related to my problems I'm trying to solve.

6 And I've got my Krozere reference. And let's assume for the
7 sake of argument, okay, that it's analogous.

8 JUDGE NAGUMO: Okay.

9 MR. SCHLUTZ: And I don't think any of these things are
10 analogous to pet products, okay? But let's assume it's analogous art.

11 Well now I've got Krozere which talks only about a
12 non-releasable adhesive -- but a really strong adhesive that's going to form
13 this hermetical seal.

14 And then on the other hand I've got -- I've got Straub and
15 Ferraro that talk about this marginally releasable adhesive.

16 So you really can't put those two together. You can't put them
17 together because of the manufacturing. If you look at -- and this -- this gets
18 back to Ittershagen for the same reason.

19 The point of Straub is the manufacturing. I'm going to
20 manufacture this thing so that my dies don't get gummed up with the
21 adhesive.

22 Well, Ferraro doesn't talk about that. In fact, the dies of Ferraro
23 are going to get easily gummed up because you're constantly punching the
24 perforations through two sets of adhesives. I have the same problem with

1 Krozere. Okay? When you manufacture that thing you're to be cutting
2 through the adhesive. You're going to be cutting through that single layer,
3 so you're going to be gumming things up.

4 So you're not going to -- as the hypothetical person sitting
5 around the art, you're not going to put those two together because they teach
6 different things. They wouldn't work if you put them together.

7 JUDGE NAGUMO: But it's all the same -- that make putting it
8 together.

9 Let me back up for just a moment.

10 MR. SCHLUTZ: Yes, sir.

11 JUDGE NAGUMO: Does your argument about bisection
12 depend on the definition that you're given, that it must be exactly in half?

13 If we decide -- can we decide the case based on that? Look at
14 the art and decide if it's exactly cut in -- (a) the claim requires that it's
15 exactly cut in half and, therefore, that's a limitation.

16 If we say, no, the bisection means any cut -- completely
17 through, that's clear, but any cut of the adhesive -- the release layer, is that
18 an the element of these claims?

19 MR. SCHLUTZ: If I understand your argument correctly, if
20 the Board decides that -- that the broadest interpretation of bisection is
21 correct and the broadest interpretation I think is merely a line, then I think
22 that is going to be a very difficult road under one-o-three to get by.

23 I think, though, that if you get there, that you still in this case
24 got to look at secondary considerations because the Supreme Court all the

1 way down has said that -- that you don't just look at secondary
2 considerations when you look at a closed case. You've got to always look at
3 them.

4 And I'll grant you, this is a closed case.

5 JUDGE NAGUMO: But before we look at that very closely, is
6 this a good time to have Ms. Pemberton speak, or would it be better to have
7 her speak in the context of secondary considerations?

8 MR. SCHLUTZ: I think she's prepared to talk in the terms of
9 who she was as an inventor and what the -- what the secondary
10 considerations were.

11 What I'd like to do is follow up and make sure -- and pick up
12 the things that she leaves out, but, yes, I think this is a fine time.

13 JUDGE NAGUMO: Go ahead.

14 MS. PEMBERTON: Thank you, very much, sir. I appreciate
15 it.

16 It's a pleasure --

17 JUDGE NAGUMO: Welcome.

18 MS. PEMBERTON: It's a pleasure to be here today. Thank
19 you. I've never been to Washington and it's inspiring, no matter how you
20 decide.

21 My name is Bonnie Pemberton. I am the inventor of Sticky
22 Paws for furniture, but I am not really an inventor. I'm actually a writer by
23 trade. I've spent my time writing radio and television copy my whole life.
24 I'm also a novelist in the USA.

1 But I did own a cat at one point, and the cat decimated my
2 furniture. I went to all the pet product stores I could find to find a solution.
3 All they had were sprays. The sprays didn't work. Even the people that sold
4 them to me said they didn't work.

5 And I went to a veterinarian. He suggested declawing.
6 Declawing involves not taking their claws out, but cutting off the first
7 knuckle of each toe. That took me aback.

8 So I began to look at my cat to see what would keep it and repel
9 it from going to my furniture. And so I pasted Saran Wrap on my furniture
10 with pins, and the cat didn't like it.

11 So, then from that point forward I started think of things that
12 would repel the cat by touch, rather than smell for my surgery. And what I
13 came up with was something that would be tacky -- a tacky substance.

14 When I went into the marketplace, the only thing that had a
15 tacky substance that would apply both to the surface and would repel the cat
16 by its stickiness was double-sided carpet tape which was silver and would
17 rip the hide off of a buffalo when you took it off or some product by a
18 company called 3M that was very thin, came in a roll, and to take it off and
19 apply it and have it stay on gummed up by itself and became so frustrating
20 that I couldn't use it no matter how hard I tried.

21 So I began to search for a sticky substance that would not only
22 not harm a cat through toxicity if it touched it with its tongue, but would also
23 adhere to a surface with enough drag that would keep it on the surface but
24 when time to release from the surface, would not destroy the surface.

1 And I know this seems very simple to just look at it. It took me
2 quite a while to figure it out. And once I did figure it out, I realized I had to
3 have a medical grade adhesive, it had to be put on a certain surface that
4 would release it so that the most elderly and even poverty people -- people
5 who could not really afford to go to a pet product place very often-- could
6 afford this product, could easily read the instructions, place it on, take the
7 peel -- take it off and the peel would not come off at the same time.

8 These took years to do and I know it sounds simple, but it
9 wasn't. And maybe it seems obvious to you, but it wasn't.

10 And the reason I know this is because when we first came on
11 the market in 1996. I sold \$26,000 worth of this product by taking a tiny ad
12 in the back of a magazine called Cat Fancy Magazine. In five years I was
13 selling a million dollars worth of this product in pet product industry.
14 Buyers had never heard of it. People who bought the product kept asking
15 me if it was the smell that kept the cats away. And each and every one of
16 them could apply it.

17 And as the years have gone forward and I've corrected Mr.
18 Schultz, and I apologize -- it has been 13 years since I applied for this patent.
19 We've receive awards. We've been mentioned in the "Cornell University
20 Book of Cat Care", written by Mordecai Siegel, a recognized expert.

21 We are carried in countries. We are carried in the United States
22 in every main pet product industry. We are carried in Canada, Britain,
23 France, Germany, Holland, Tel Aviv we just sent some to, Korea, Japan. It

1 is worldwide. The obviousness of this product was not there, sirs. It was
2 not.

3 Perhaps I'm not speaking in legal terms -- if I'm not, I'm not a
4 patent attorney, nor do I know much about patents because this one is
5 difficult.

6 But I will tell you that within my product hitting the industry, I
7 had three people knock me off.

8 Does anyone have that packaging?

9 They used not only my art. They used verbatim my
10 instructions, and in Spanish and French they copied the same thing from
11 my -- from my packaging.

12 The thing that concerns me now is and I know -- I'm going to
13 say it just because I'm going to say it. I'm not legal, I'm going to say it.

14 The thing that concerns me most -- and I'm sorry -- this is a
15 product of competitors total knockoffs -- complete knockoffs -- smallish
16 companies, however.

17 Now I find myself faced, after 13 years in the market place with
18 a million dollar product and growing that now the big guy is in the industry.
19 And the pet product industry is vehement. There is a lot of money to be
20 made in the industry. That's why Martha Stewart and people like that are
21 getting into it.

22 Now I have been approached by a big company called
23 Worldwide's. They have hundreds of products that they carry. They came
24 to me two years ago and said this: We will either make this product in Japan

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1 at our own factories -- excuse me, China -- in our own factories, or we will
2 allow you to sell it to us, license it to us under our own brand on our terms.

3 As a person who was first to market, who struggled through
4 making this a product that the average Joe can use even though the average
5 Joe really didn't know that this is what worked, no matter what years ago
6 that thing that was like -- sounded like German mentioned.

7 Even veterinarians are not telling you to put double-sided tape
8 on a couch. Now I've been discovered and they know. They know that
9 something is wrong that I have not had a patent in 13 years. Now they're
10 coming after me.

11 If someone like Hartz or Purina come, I'm finished. I have no
12 recourse. I have no way to fight them. I was first to market. It was my idea.
13 I made it work. I made it work for cats because cats don't like the way it
14 feels, but I made it work for the consumer because it was easy.

15 Someone who put on false fingernails would not automatically
16 come up with this. Believe me, I'm a Texas girl. I've been through every
17 fake thing you can imagine. There is no push-up bra unturned that I have
18 not tried in my life. And I've had false fingernails before and never did it
19 occur to me that placing a false fingernail kept cats from scratching
20 furniture.

21 I will leave you by saying that I've never been happier to be an
22 American citizen. I've never been happier to be here where I am today. I
23 passed the Washington Monument on the way here, and it gave me a real
24 feeling of something I've never had before.

1 And it feels good to be in a country where I can be here today
2 and say what I'm saying to you. I haven't lied, not once, in what I've said to
3 you. And I hope you will take that into consideration as well as the
4 mountains of briefs that you've received must bore you to death about this
5 product. But it doesn't bore me because it's changed my life.

6 It's saved millions of cats from a mutilating procedure that's
7 very painful. And it's made owning cats more of a pleasure for millions of
8 people.

9 We are not doing about \$1.5 million worth of business 13 years
10 later. I hope you'll take this into consideration. And I think you so much for
11 hearing me. I appreciate it. Thank you.

12 JUDGE NAGUMO: Thank you for coming to Washington.
13 Mr. Schultz, do you--

14 MR. SCHLUTZ: It's hard for me to say much after that that's
15 convincing, but one thing that I will add is that I've done this a whole bunch
16 of times. And in a lot of cases you'll see -- you'll see a knockoff from
17 another competitor. And in a lot of cases you'll see commercial success.
18 And in a lot of cases you'll see -- you'll see industry recognition, but it's
19 rare -- at least in my experience -- that you have all three of those in one
20 case.

21 And I guess something that -- that -- that I would like to speak
22 to is I don't think that in this case -- because it's a closed case -- that those
23 secondary considerations, especially all three sets, were really given -- given
24 their due weight.

1 So that would be all unless you've guys have any other
2 questions.

3 MS. PEMBERTON: May I, sir, add one thing that I forgot to
4 say?

5 JUDGE NAGUMO: Yes.

6 MS. PEMBERTON: Thank you.

7 We went from zero market share in this industry in 1996 to
8 over 85 percent market share within five years of introducing it into the
9 market place.

10 Thank you.

11 JUDGE NAGUMO: One of the questions that I have about the
12 market share and commercial success is how do you define the relevant
13 market?

14 And so starting from zero, I can understand that. How do I find
15 that is, in fact, 80 percent; and what market are we really talking about?

16 MR. SCHLUTZ: I think that's a good question.

17 And I think we will admit that there is not a rigorous statistical
18 analysis of which piece is done by an expert in this case.

19 My opinion -- and that's what it is -- is that the relevant market
20 would be pet stores.

21 MS. PEMBERTON: It is only pet stores. We sell to no one but
22 pet stores, period. It's nowhere else.

23 It's not in drug stores, garden stores. It is only in pet stores
24 throughout the world.

1 MR. SCHLUTZ: And that's all that the invention is used for.
2 It's not used for any alternative or different purposes. So that's the only
3 place it's sold.

4 The Examiner makes the point --

5 JUDGE PAK: Counsel?

6 MR. SCHLUTZ: Yes, sir.

7 JUDGE PAK: Did you know what cause the -- that increase in
8 sale? Is that the particular type of adhesive used as the inventor has stated,
9 or is it because the particular structure employed?

10 MR. SCHLUTZ: The Applicant's position is that the
11 structure -- the claim structure is responsible for the success. The evidence
12 that we filed really comes from two sources. One, Ms. Permenton evidently
13 said that -- and admittedly it's hearsay. Luckily, it's in court, but that she's
14 had her customers come up her and tell her that because of the ease of use,

15 Now if you translate ease of use into the claim terms I think that
16 you end up squarely right back on this bisected release layer and the ability
17 to -- the ability to take two pieces off and apply the product correctly.

18 The other source of evidence was another -- another declaration
19 from a third party, a gentleman that does some marketing services for the
20 company that is the assignees of the product or the application.

21 And that declaration says much the same thing. It says at trade
22 shows he's been approached by people who talked about the ease of use of
23 the product. And I think that declaration actually is more specific when it
24 says things like this release layer and things were mentioned specifically.

1 So, it's the Applicant's position that that's --the claimed features
2 is what's responsible.

3 Now, there is -- there is some argument -- and honestly I kind
4 of lost the train of thought because of the Examiner and the appeal brief that
5 the -- that it's his position that the packaging is what is -- is what resulted in
6 the commercial success.

7 And I read through that three or four times because it's a little
8 bit ambiguous. But really, when you look at it, this whole invention could
9 be characterized as packaging. It's admitted that double-sided tape was in
10 the art. So what this inventor invented was not double-sided tape. And if
11 there -- there is art in the record that says that double-sided tape was used on
12 furniture to repel cats, and that's not the invention here.

13 So what else could the invention be? It's got to be packaging,
14 okay? It is these dimensions. It is these release sheets. It's how they are put
15 on the page side-by-side.

16 It's not a fax machine. It's not difficult. Okay? It's not going to
17 change the way the planet does business, but it is an invention. And that
18 invention is what's been commercially successful.

19 One thing also to throw in as far as -- as far as law goes,
20 Federal Circuit's held up a lot of times that -- and I've got the cases here. I
21 think Consolidated is one of them. That the Applicant doesn't have the
22 burden of showing that the specific features of the claimed invention are
23 what is responsible for all the commercial success. They only have to show
24 that the invention as claimed was a commercial success.

1 And so if you put our inventor in the box of trying to disprove
2 the fact that it really wasn't the 3M tape under a different wrapper. It really
3 wasn't the fact that the 3M tape was offered only in Home Depot and not in
4 these stores.

5 What you end up doing is parsing it down to get to a level to
6 where no inventor could match that. Really all she knows is that this
7 invention was commercially successful.

8 But see, the thing is it's not -- it's not the packaging that's
9 commercially successful because you've got competitors -- not one, not two,
10 but now you've got three. And they're not making a version of the product
11 where the release sheets are different sizes, okay, like Krozere. They're
12 making this exact product.

13 And so now you've got guys that are -- that are
14 competitors -- commercial competitors that are spending their money to get
15 in this market to invest in a product, to invest in their own manufacturing
16 line and so forth to copy this product exactly.

17 Well, see, that's the kind of stuff that not obviousness is about.
18 That's the kind of real world fact when you go out there and look at it where
19 on paper it may not look like it, okay? But that's what secondary
20 considerations are about. When it's a close call, we go look at people like
21 competitors that are willing to take their profits and invest in this because
22 they know it's successful.

23 JUDGE PAK: Counsel, did you include all those copying by
24 your competitors into the record as well?

1 MR. SCHLUTZ: It is in the -- the original affidavit that was
2 filed. And I've got copies here.

3 It was in the affidavit that was filed on September 6, 2006. And
4 those are attached to -- to Bonnie's Declaration.

5 But I guess my point is when she sent these to me, this is -- I
6 mean it is exactly what's described in the patent with exactly the claimed
7 features with this release layer in the center, not on the side.

8 So those guys know it's selling, and that's why it's getting
9 bought. And 3M tape is still on the market, and it hasn't overcome this
10 product.

11 I mean, the Inventor testified, and I don't know whether she did
12 clearly in her declaration or not, but 3M tape doesn't work very well. And
13 it's not -- it doesn't work because it's not double-sided tape. It doesn't work
14 because it's not the right adhesive, okay? Although those may be
15 considerations. It doesn't work because you can't get it out of the package an
16 apply it easily. So that's what this invention's about.

17 JUDGE PAK: Any other questions?

18 (No response.)

19 JUDGE PAK: You've given us a lot to think about.

20 We thank all of you for coming to Washington and explaining
21 the case to us.

22 MR. SCHLUTZ: Thank you, gentlemen. I appreciate your
23 time very much.

24 MS. PEMBERTON: Thank you.

1 JUDGE PAK: And we hope you do have time to enjoy the
2 City.

3 MS. PEMBERTON: We're going to -- and thank you very
4 much.

5 JUDGE PAK: We're off the record.

6 Whereupon, at approximately 11:47 a.m. the proceedings were
7 concluded.

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